

This listing of claims replaces all previous versions and listings of claims.

Listing of Claims:

1. (currently amended) A method of a lending institution funding a pool of loans, with one or more insurers, the pool of loans having associated therewith a first rating or no rating, an aggregate amount and a first loss, the method comprising:

the lending institution assuming risk of the first loss by providing a first loss financial guaranty, the first loss being a percentage of the aggregate amount of the pool of loans;

the lending institution transferring the loans to an entity that secures insurance for the loans from the insurers, ~~thereby~~and transferring risk of loss other than the first loss to the insurers, the entity having a second rating greater than the first rating or no rating and securing proceeds based on the pool of loans and its second rating;

the proceeds in an amount greater than that which the lending institution could secure due to the second rating being greater than the first rating or no rating;

the lending institution receiving proceeds from the entity ~~providing proceeds to the lending institution~~ in return for transferring the loans to the entity; and

the lending institution funding loans using the proceeds.

2. (previously presented) A method as recited by claim 1, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of the lender.

3. (previously presented) A method as recited by claim 1, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of a third party.

4. (cancelled)

5. (previously presented) A method as recited by claim 1, wherein the entity that secures insurance for the loans from the insurers issues a note to obtain funding for the loan, and wherein the note is insured by the insurance company.

6. (original) A method as recited by claim 5, wherein the entity comprises a bankruptcy-remote entity and a trust.

7. (previously presented) A method as recited by claim 5, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of the lender.

8. (previously presented) A method as recited by claim 5, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of a third party.

9-20. (cancelled)

21. (withdrawn) A method comprising:

an entity receiving a pool of loans from a lending institution, the lending institution having a first rating or no rating;

obtaining insurance for the pool of loans from an insurer, the insurer having a second rating greater than the first rating or no rating and securing reinsurance for a first loss on the pool of loans from the lending institution;

issuing a financial instrument based on the pool of loans and the insurer's second rating;
receiving proceeds for the financial instrument based on the insurer's second rating; and
providing proceeds to the lending institution in return for the pool of loans, the lending institution thereby funding loans.

22. (withdrawn) A method as recited by claim 20, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of the lender.

23. (withdrawn) A method as recited by claim 20, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of a third party.

24. (withdrawn) A method as recited by claim 23, wherein the entity receiving a pool of loans from a lending institution issues a note to obtain funding for the loan, and wherein the note is insured by the insurance company.

25. (withdrawn) A method as recited by claim 24, wherein the entity receiving a pool of loans from a lending institution comprises a bankruptcy-remote entity and a trust.

26. (withdrawn) A method as recited by claim 23, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of the lender.